

ND PUBLIC EMPLOYEES RETIREMENT SYSTEM
INVESTMENT PERFORMANCE REPORT AS OF NOVEMBER 30, 2006

	November-06				October-06				September-06				Current Fiscal YTD	Prior Year FY06	3 Years Ended 6/30/2006	5 Years Ended 6/30/2006
	Market Value	Allocation Actual	Policy	Month Net ROR	Market Value	Allocation Actual	Policy	Month Net ROR	Market Value	Allocation Actual	Policy	Quarter Net ROR	Net ROR	Net ROR	Net	Net
LARGE CAP DOMESTIC EQUITY																
<i>Structured Growth</i>																
LA Capital	82,402,786	4.7%	4.5%	2.73%	79,603,234	4.6%	4.5%	4.52%	76,028,668	4.5%	4.5%	1.81%	9.32%	11.88%	N/A	N/A
Total Structured Growth	82,402,786	4.7%	4.5%	2.73%	79,603,234	4.6%	4.5%	4.52%	76,028,668	4.5%	4.5%	1.81%	9.32%	11.88%	12.99%	0.19%
Russell 1000 Growth				1.98%				3.52%				3.94%	9.72%	6.12%	8.34%	-0.77%
<i>Structured Value</i>																
LSV	82,571,140	4.7%	4.5%	2.48%	79,997,958	4.6%	4.5%	3.49%	78,006,866	4.6%	4.5%	4.48%	10.80%	15.93%	21.06%	12.29%
Russell 1000 Value				2.28%				3.27%				6.22%	12.20%	12.10%	15.70%	6.89%
<i>Enhanced Russell 1000 Index</i>																
LA Capital	78,050,371	4.4%	4.2%	2.33%	75,703,365	4.4%	4.2%	3.82%	72,791,324	4.3%	4.2%	3.51%	9.97%	12.49%	12.73%	3.75%
Russell 1000				2.13%				3.40%				5.06%	10.94%	9.08%	12.05%	3.12%
<i>Enhanced S&P 500 Index</i>																
Northern Trust	78,561,248	4.5%	4.2%	1.53%	76,762,805	4.4%	4.2%	3.16%	74,282,801	4.4%	4.2%	6.56%	11.62%	9.33%	11.32%	2.81%
Westridge	88,315,985	5.0%	4.5%	1.93%	85,945,472	5.0%	4.5%	3.29%	83,057,810	4.9%	4.5%	5.68%	11.26%	8.80%	11.46%	2.80%
Wells Capital	51,308,378	2.9%	3.0%	1.64%	50,899,281	2.9%	3.0%	5.32%	47,492,021	2.8%	3.0%	1.21%	8.35%	N/A	N/A	N/A
Franklin	52,256,576	3.0%	3.0%	-0.37%	52,036,061	3.0%	3.0%	4.03%	49,936,543	3.0%	3.0%	N/A	N/A	N/A	N/A	N/A
Total Enhanced S&P 500 Index	270,442,187	12.4%	11.7%	1.31%	265,643,620	12.3%	11.7%	3.78%	254,769,175	12.2%	11.7%	5.15%	10.55%	8.58%	11.40%	2.76%
S&P 500				1.90%				3.26%				5.67%	11.18%	8.63%	11.22%	2.49%
<i>S&P 500 Index</i>																
State Street	35,227,593	2.0%	2.1%	1.56%	34,414,017	2.0%	2.1%	3.78%	33,104,293	2.0%	2.1%	5.79%	11.50%	9.62%	11.55%	2.70%
S&P 500				1.90%				3.26%				5.67%	11.18%	8.63%	11.22%	2.49%
TOTAL LARGE CAP DOMESTIC EQUITY	548,694,077	31.1%	30.0%	1.86%	535,362,193	30.9%	30.0%	3.85%	514,700,326	30.5%	30.0%	4.32%	10.34%	10.93%	13.21%	3.86%
S&P 500				1.90%				3.26%				5.67%	11.18%	8.63%	11.22%	2.49%
SMALL CAP DOMESTIC EQUITY																
<i>Manager-of-Managers</i>																
SEI	132,457,151	7.5%	7.2%	2.94%	128,742,092	7.4%	7.2%	5.47%	122,051,469	7.2%	7.2%	-0.01%	8.55%	13.56%	18.31%	8.00%
Russell 2000 + 200bp				2.80%				5.92%				0.94%	9.91%	16.86%	21.06%	10.71%
Callan	51,220,814	2.9%	2.8%	2.79%	49,837,774	2.9%	2.8%	5.20%	47,380,277	2.8%	2.8%	-0.91%	7.15%	N/A	N/A	N/A
Russell 2000				2.63%				5.76%				0.44%	9.02%			
TOTAL SMALL CAP DOMESTIC EQUITY	183,677,964	10.4%	10.0%	2.90%	178,579,866	10.3%	10.0%	5.39%	169,431,746	10.1%	10.0%	-0.27%	8.16%	13.40%	18.25%	7.97%
Russell 2000				2.63%				5.76%				0.44%	9.02%	14.58%	18.70%	8.50%
INTERNATIONAL EQUITY																
<i>Large Cap - Core</i>																
State Street	18,267,740	1.0%	1.0%	3.03%	17,724,268	1.0%	1.0%	4.66%	16,928,751	1.0%	1.0%	3.40%	11.49%	27.85%	20.61%	6.87%
MSCI EAFE (1)				2.99%				3.89%				3.93%	11.20%	26.56%	20.76%	5.94%
<i>Large Cap - Active</i>																
Capital Guardian	53,529,025	3.0%	3.0%	1.04%	52,914,367	3.1%	3.0%	3.83%	50,938,271	3.0%	3.0%	4.95%	10.11%	28.01%	21.32%	6.58%
LSV	53,048,357	3.0%	3.0%	1.91%	52,110,777	3.0%	3.0%	3.80%	50,160,425	3.0%	3.0%	5.93%	12.05%	27.77%	N/A	N/A
Bank of Ireland	17,887,906	1.0%	1.0%	3.77%	17,259,873	1.0%	1.0%	3.82%	16,614,218	1.0%	1.0%	3.02%	10.98%	22.00%	19.16%	N/A
Total Large Cap - Active	124,465,287	7.1%	7.0%	1.79%	122,285,017	7.1%	7.0%	3.81%	117,712,914	7.0%	7.0%	5.09%	11.06%	27.11%	21.84%	7.14%
MSCI EAFE - 50% Hedged				1.64%				3.38%				4.87%	10.20%	26.72%	22.56%	6.89%
<i>Small Cap - Active</i>																
Lazard	17,880,348	1.0%	1.0%	5.15%	17,014,438	1.0%	1.0%	5.15%	16,170,109	1.0%	1.0%	1.38%	12.08%	25.04%	29.34%	N/A
Wellington	17,096,040	1.0%	1.0%	3.43%	16,555,824	1.0%	1.0%	2.23%	16,186,523	1.0%	1.0%	3.21%	9.14%	23.35%	25.26%	N/A
Total Small Cap - Active	34,976,387	2.0%	2.0%	4.30%	33,570,262	1.9%	2.0%	3.69%	32,356,632	1.9%	2.0%	2.29%	10.62%	24.18%	27.28%	N/A
Citigroup Broad Market Index < \$2BN				4.20%				3.40%				1.55%	9.41%	29.21%	32.38%	N/A
TOTAL INTERNATIONAL EQUITY	177,709,414	10.1%	10.0%	2.41%	173,579,547	10.0%	10.0%	3.88%	166,998,297	9.9%	10.0%	4.36%	11.02%	26.61%	22.77%	8.74%
MSCI EAFE - 50% Hedged				1.64%				3.38%				4.87%	10.20%	26.72%	22.56%	6.89%
EMERGING MARKETS EQUITY																
<i>Core</i>																
JP Morgan	17,773,655	1.0%	0.9%	6.30%	16,711,600	1.0%	0.9%	5.13%	15,887,174	0.9%	0.9%	7.76%	20.43%	N/A	N/A	N/A
PanAgora	15,004,821	0.9%	0.0%	6.82%	14,041,279	0.8%	0.0%	4.72%	13,403,508	0.8%	0.0%	4.96%	17.41%	N/A	N/A	N/A
WestLB	15,312,672	0.9%	0.0%	7.40%	14,255,620	0.8%	0.0%	5.03%	13,586,095	0.8%	0.0%	2.94%	16.13%	N/A	N/A	N/A
UBS	26,934,449	1.5%	1.5%	6.36%	25,308,153	1.5%	1.5%	4.48%	24,207,038	1.4%	1.5%	4.67%	16.31%	N/A	N/A	N/A
Total Core	75,025,597	4.3%	4.9%	6.57%	70,316,653	4.1%	4.9%	4.79%	67,083,815	4.0%	4.9%	5.09%	17.36%	35.59%	32.44%	18.61%
MSCI Emerging Markets				7.45%				4.75%				5.01%	18.19%	35.91%	22.39%	12.89%
<i>Small Cap</i>																
DFA	17,332,652	1.0%	1.0%	7.35%	16,133,963	0.9%	1.0%	7.46%	15,002,942	0.9%	1.0%	8.53%	25.20%	N/A	N/A	N/A
MSCI Emerging Markets				7.45%				4.75%				5.01%	18.19%			
TOTAL EMERGING MARKETS EQUITY	92,358,250	5.2%	5.0%	6.72%	86,450,616	5.0%	5.0%	5.28%	82,086,757	4.9%	5.0%	5.71%	18.76%	34.40%	32.05%	18.40%
MSCI Emerging Markets				7.45%				4.75%				5.01%	18.19%	35.91%	34.76%	21.54%
DOMESTIC FIXED INCOME																
<i>Core Bond</i>																
Western Asset	50,780,724	2.9%	2.9%	1.36%	50,109,498	2.9%	2.9%	0.83%	49,643,643	2.9%	2.9%	4.29%	6.59%	-1.15%	2.65%	5.96%
Lehman Aggregate				1.16%				0.66%				3.81%	5.71%	-0.81%	2.05%	4.97%
<i>Index</i>																
Bank of ND	93,515,765	5.3%	6.0%	1.13%	92,481,548	5.3%	6.0%	0.54%	91,983,054	5.5%	6.0%	3.77%	5.49%	-1.37%	1.53%	5.24%
Total Index	93,515,765	5.3%	6.0%	1.13%	92,481,548	5.3%	6.0%	0.54%	91,983,054	5.5%	6.0%	3.77%	5.49%	-0.69%	2.10%	5.27%
Lehman Gov/Credit				1.17%				0.63%				3.91%	5.79%	-1.52%	1.60%	5.13%
<i>Convertibles</i>																
TCW (2)	-	0.0%	0.0%	N/A	41	0.0%	0.0%	N/A	43,142,529	2.6%	2.9%	2.85%	N/A	4.54%	6.78%	1.15%
Calamos	45,112,985	2.6%	2.9%	2.10%	44,204,478	2.6%	2.9%	2.55%		0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Total Convertibles	45,112,985	2.6%	2.9%	2.10%	44,204,519	2.6%	2.9%	2.55%	43,142,529	2.6%	2.9%	2.85%	7.69%	4.54%	6.78%	1.15%

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	November-06				October-06				September-06				Current	Prior Year	3 Years	5 Years
	Allocation		Month	Net ROR	Allocation		Month	Net ROR	Allocation		Quarter	Net ROR	Net ROR	Net ROR	Net	Net
	Market Value	Actual			Market Value	Actual			Market Value	Actual						
BBB Average Quality																
Wells Capital	50,713,760	2.9%	2.9%	1.50%	49,983,114	2.9%	2.9%	0.95%	49,504,586	2.9%	2.9%	4.58%	7.15%	-2.70%	3.36%	5.51%
Lehman BBB				1.55%				0.89%				4.80%	7.37%	-2.37%	2.39%	6.10%
Private Debt																
Prudential	50,570,355	2.9%	2.9%	1.18%	49,997,677	2.9%	2.9%	0.67%	49,653,160	2.9%	2.9%	3.84%	5.78%	-0.13%	N/A	N/A
Lehman Aggregate				1.16%				0.66%				3.81%	5.71%	-0.81%	N/A	N/A
Timberland																
TIR - Teredo (4)	36,099,821	2.0%	2.0%	-0.06%	36,099,821	2.1%	2.1%	2.31%	35,326,377	2.1%	2.1%	-0.19%	2.06%	-1.44%	7.62%	N/A
TIR - Springbank	73,792,445	4.2%	4.2%	-0.03%	73,792,445	4.3%	4.3%	-0.22%	74,002,709	4.4%	4.4%	-0.06%	-0.30%	13.53%	N/A	N/A
Total Timberland	109,892,266	6.2%	6.2%	-0.04%	109,892,266	6.3%	6.3%	0.60%	109,329,086	6.5%	6.5%	-0.10%	0.47%	9.43%	20.37%	N/A
NCREIF Timberland Index				1.15%				1.15%				3.49%	5.88%	19.69%	13.94%	N/A
TOTAL DOMESTIC FIXED INCOME	400,585,854	22.7%	24.0%	1.00%	396,668,622	22.9%	24.0%	0.88%	393,256,057	23.3%	24.0%	2.67%	4.61%	3.12%	8.91%	8.14%
Lehman Aggregate				1.16%				0.66%				3.81%	5.71%	-0.81%	2.05%	4.97%
HIGH YIELD BONDS																
Core																
Loomis Sayles	43,375,907	2.5%	2.5%	1.74%	42,663,167	2.5%	2.5%	1.91%	41,871,374	2.5%	2.5%	4.85%	8.71%	4.74%	N/A	N/A
Sutter/Wells Capital	41,798,560	2.4%	2.5%	1.18%	41,590,105	2.4%	2.5%	1.34%	41,216,490	2.4%	2.5%	2.84%	5.45%	4.70%	N/A	N/A
Total Core	85,174,467	4.8%	5.0%	1.46%	84,253,271	4.9%	5.0%	1.63%	83,087,864	4.9%	5.0%	3.84%	7.07%	4.72%	5.70%	3.38%
LB High Yield 2% Issuer Contstrained Index				1.58%				1.36%				3.76%	6.84%	4.38%	N/A	N/A
Mezzanine Debt																
Goldman Sachs	595,221	0.0%	0.0%	0.00%	595,221	0.0%	0.0%	0.00%	595,221	0.0%	0.0%	0.00%	0.00%	N/A	N/A	N/A
TOTAL HIGH YIELD BONDS	85,769,688	4.9%	5.0%	1.45%	84,848,492	4.9%	5.0%	1.61%	83,683,085	5.0%	5.0%	3.82%	7.03%	4.72%	8.34%	7.47%
LB High Yield 2% Issuer Contstrained Index				1.58%				1.36%				3.76%	6.84%	4.38%	8.48%	8.60%
INTERNATIONAL FIXED INCOME																
International Sovereign																
UBS Global (Brinson)	42,818,143	2.4%	2.5%	2.86%	41,646,206	2.4%	2.5%	1.06%	41,533,189	2.5%	2.5%	-0.15%	3.80%	0.13%	5.24%	9.99%
Citigroup Non-US Gov't Bond Index (5)				3.20%				1.07%				0.89%	5.23%	-0.11%	5.01%	9.58%
International Core																
Brandywine	43,334,931	2.5%	2.5%	2.32%	42,407,886	2.4%	2.5%	1.79%	42,568,863	2.5%	2.5%	1.93%	6.18%	3.89%	8.39%	N/A
Lehman Global Aggregate (ex-US)				3.25%				1.16%				1.13%	5.63%	3.83%	5.69%	N/A
TOTAL INTERNATIONAL FIXED INCOME	86,153,074	4.9%	5.0%	2.59%	84,054,092	4.9%	5.0%	1.43%	84,102,052	5.0%	5.0%	0.89%	4.99%	2.01%	6.82%	10.91%
Citigroup Non-US Gov't Bond Index (5)				3.20%				1.07%				0.89%	5.23%	0.00%	5.05%	9.60%
REAL ESTATE																
INVESCO																
J.P. Morgan Strategic & Special Funds	46,218,767			0.00%	46,219,227			0.00%	46,727,672			1.55%	1.55%	23.84%	17.33%	12.38%
J.P. Morgan Alternative Property Fund	47,685,729			1.30%	47,075,273			1.00%	47,237,291			4.36%	6.77%	21.05%	17.14%	12.52%
J.P. Morgan Alternative Property Fund	11,336,971			0.00%	11,336,971			0.00%	10,348,395			-2.82%	-2.82%	N/A	N/A	N/A
TOTAL REAL ESTATE	105,241,467	6.0%	5.0%	0.58%	104,631,471	6.0%	5.0%	0.45%	104,313,358	6.2%	5.0%	2.40%	3.46%	22.09%	17.09%	12.36%
NCREIF TOTAL INDEX				1.16%				1.16%				3.51%	5.92%	18.22%	15.63%	12.19%
ALTERNATIVE INVESTMENTS																
Brinson IVCF II	60,623			0.00%	60,623			0.00%	60,623			0.00%	0.00%	22.67%	13.90%	-0.56%
Coral Partners II	100,317			0.00%	100,317			0.00%	100,201			0.13%	0.13%	3.74%	6.19%	-9.24%
Coral Partners V	3,463,906			0.00%	3,468,603			0.00%	4,819,043			-0.31%	-0.31%	8.74%	-15.32%	-24.06%
Coral Partners V - Supplemental	421,602			0.00%	422,174			0.00%	437,582			-0.70%	-0.70%	10.53%	10.33%	N/A
Coral Partners VI	7,187,781			0.00%	7,197,528			0.00%	7,402,568			-0.08%	-0.08%	-6.22%	-10.14%	N/A
Brinson 1998 Partnership Fund	1,013,922			0.00%	1,015,297			0.00%	1,014,299			4.03%	4.03%	16.52%	15.11%	1.97%
Brinson 1999 Partnership Fund	1,797,418			0.00%	2,519,669			0.00%	2,517,191			8.99%	8.99%	14.27%	12.72%	-1.26%
Brinson 2000 Partnership Fund	5,878,110			0.00%	5,886,081			0.00%	5,880,294			4.86%	4.86%	28.22%	17.90%	3.70%
Brinson 2001 Partnership Fund	4,185,764			0.00%	4,191,440			0.00%	4,187,319			8.12%	8.12%	19.85%	9.95%	3.22%
Brinson 2002 Partnership Fund	2,486,656			0.00%	2,490,028			0.00%	2,487,580			9.58%	9.58%	32.42%	13.22%	N/A
Brinson 2003 Partnership Fund	651,261			0.00%	652,145			0.00%	651,503			3.05%	3.05%	25.48%	6.77%	N/A
Brinson 1999 Non-US Partnership Fund	688,657			0.00%	689,591			0.00%	945,208			16.69%	16.69%	40.48%	30.98%	18.60%
Brinson 2000 Non-US Partnership Fund	1,653,657			0.00%	1,655,899			0.00%	1,654,271			26.11%	26.11%	35.03%	21.65%	13.01%
Brinson 2001 Non-US Partnership Fund	2,080,491			0.00%	2,083,312			0.00%	2,081,264			7.27%	7.27%	27.25%	17.46%	8.96%
Brinson 2002 Non-US Partnership Fund	2,490,402			0.00%	2,493,779			0.00%	2,795,879			17.05%	17.05%	38.11%	22.66%	N/A
Brinson 2003 Non-US Partnership Fund	2,130,209			0.00%	2,133,098			0.00%	1,809,198			21.45%	21.45%	31.08%	8.89%	N/A
Brinson 2004 Non-US Partnership Fund	830,650			0.00%	831,777			0.00%	671,036			-0.77%	-0.77%	24.56%	N/A	N/A
Brinson BVCF IV	9,902,398			0.00%	9,915,826			0.00%	8,939,696			9.17%	9.17%	31.35%	19.07%	0.41%
Adams Street Direct Co-investment Fund	1,028,206			0.00%	1,029,600			0.00%	1,082,945			N/A	N/A	N/A	N/A	N/A
Matlin Patterson Global Opportunities	7,326,321			0.00%	6,494,843			0.00%	6,488,457			-5.52%	-5.52%	-11.68%	26.48%	N/A
Matlin Patterson Global Opportunities II	15,890,847			0.00%	14,293,948			0.00%	11,933,876			0.71%	0.71%	-0.85%	N/A	N/A
InvestAmerica	3,077,724			0.00%	3,081,898			0.00%	3,078,868			30.21%	30.21%	0.00%	-9.20%	N/A
Hearthstone MSII	240,166			0.00%	240,492			0.00%	74,489			0.00%	0.00%	-100.00%	-100.00%	-100.00%
Hearthstone MSIII	2,212,032			0.00%	2,215,032			0.00%	174,008			38.24%	38.24%	59.61%	N/A	N/A
Quantum Resources	715,196			N/A	716,166			N/A				N/A	N/A	N/A	N/A	N/A
TOTAL ALTERNATIVE INVESTMENTS (6)	77,514,316	4.4%	5.0%	0.00%	75,879,165	4.4%	5.0%	0.00%	71,287,401	4.2%	5.0%	6.15%	6.15%	11.08%	10.37%	-2.92%
CASH EQUIVALENTS																
Northern Trust STIF/STEP	5,220,601	0.3%	1.0%	0.43%	11,997,436	0.7%	1.0%	0.45%	15,413,369	0.9%	1.0%	1.34%	2.23%	4.31%	2.64%	2.41%
90 Day T-Bill				0.43%				0.38%				1.33%	2.15%	4.00%	2.37%	2.25%
TOTAL FUND	1,762,924,706	100.0%	100.0%	1.91%	1,732,051,501	100.0%	100.0%	2.75%	1,685,272,450	100.0%	100.0%	3.31%	8.18%	12.00%	14.23%	7.93%
POLICY TARGET BENCHMARK				1.95%				2.47%				4.12%	8.78%	10.07%	11.75%	6.64%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) This benchmark was changed to the MSCI EAFE (unhedged) as of December 1, 2004.

(2) TCW was terminated on September 22, 2006. The portfolio was transferred to Calamos on October 5, 2006.

(3) Prior to January 1, 2005, the benchmark was the First Boston Convertible Index.

(4) Prior to June 1, 2006, the Toredos properties were under the management of RMK.

(5) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.

(6) Because of the variation in fee calculations in Alternative Investments, only net returns will be shown until June of each year when actual costs are known.